

**SPECIAL BOARD MEETING MINUTES
OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY**

SAN JOSE, CALIFORNIA

THURSDAY, NOVEMBER 19, 2015

The Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José convened at 8:32 a.m. in the Council Chambers at San Jose City Hall.

1. Call to Order and Roll Call

BOARD MEMBERS PRESENT

Tony Estremera, Chair, Santa Clara Valley Water District
Ed Maduli, Vice-Chair California Community Colleges
Abraham Andrade, City of San José
John Guthrie, County of Santa Clara
Debbie Cauble (for David Snow, County of Santa Clara)
Jim Shannon, City of San José
Matthew Tinsley (for Kolvira Chheng, Santa Clara County Office of Education)

ABSENT BOARD MEMBERS:

All Present.

STAFF PRESENT

Richard Doyle, Successor Agency General Counsel
David Sykes, representing Successor Agency Executive Officer
Richard Keit, Successor Agency Managing Director
Director of Housing Jacky Morales-Ferrand

2. Closed Session

None.

3. Adoption of Agenda

Action: Upon motion by Board Member Guthrie, seconded by Board Member Andrade, and carried unanimously the Agenda was adopted. (7-0.)

Access the video, the agenda and related reports for this meeting by visiting the City's website at <https://ca-sanjose.civicplus.com/index.aspx?NID=3566>. For information on any ordinance that is not hyperlinked to this document, please contact the Office of the City Clerk at (408) 535-1266.

4. Approval of Minutes

Documents Filed: Oversight Board Minutes dated September 24, 2015 and October 22, 2015.

Motion: Board Member Shannon moved approval of the Minutes of September 24, 2015. Board Member Guthrie seconded the motion.

Action: The minutes of September 24, 2015 were approved. (5-0-0-2. Abstain: Cauble, Tinsley.)

Motion: Board Member Shannon moved approval of the Minutes of October 22, 2015. Board Member Tinsley seconded the motion.

Action: The minutes of October 22, 2015 were approved. (6-0-0-1. Abstain: Cauble.)

5. Consent Calendar

None.

6. Items Scheduled for Action/Discussion

6.1 Approval of the Comedy Club Lease Amendment

Documents Filed: Memorandum from Successor Agency Managing Director Richard A. Keit, dated November 13, 2015, recommending adoption of a resolution.

Successor Agency Managing Director Richard A. Keit provided an overview on the status of the Comedy Club.

Action: Upon motion by Board Member Guthrie, seconded by Board Member Andrade and carried unanimously, Resolution No. 2015-11-1099, entitled "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José: (A) Approving the Third Amendment to the Amended and Restated Lease with the Comedy Club of San José, LLC for the Use of the José Theater Located at 62-64 South Second Street; and (B) Finding that the Lease with the Comedy Club of San José LLC will Increase Revenues, Decrease Liabilities and is in the Best Interest of the Taxing Entities", was adopted. (7-0.)

6.2 Plaza Hotel Sale

Documents Filed: (1) Memorandum from Successor Agency Managing Director Richard A. Keit, dated November 13, 2015, recommending adoption of a resolution. (2) Letter from Kenneth S. Tersini, KT Properties Urban, Inc., dated September 21, 2015, setting forth general terms and conditions for purchase. (3) Letter from Jennifer Loving, Destination Home, dated November 16, 2015, urging approval of acquisition of the hotel. (4) Resolution of the Housing Task Force of the County of Santa Clara. (5) Appraisal of Plaza Hotel, 96 S. Almaden Avenue.

6.2 Plaza Hotel Sale (Cont'd.)

Public Comments: Philip Mastrocola and Moria Merriweather urged acceptance of the offer as presented, citing the plight of the homeless in the City of San José.

Successor Agency Managing Director Richard A. Keit provided an overview, offering that the Successor Agency has received an unsolicited request at the appraised value for this property.

Board Member Guthrie expressed concern that the Agency would not be in compliance with its policy for the sale of property should staffs' recommendations be accepted.

Successor Agency General Counsel Richard Doyle and Senior Deputy City Attorney Tom Murtha provided clarification regarding a change of policy regarding the sale of property.

The Board unanimously agreed that a change to the policy should be considered but should be agendized through adoption of a resolution and discussed at a future meeting of the Oversight Board.

Action: Board Member Guthrie moved deferral of this item to the next meeting of the Oversight Board to consider a proposed change to the resolution and continued discussion regarding a processes change and disposition of the property. Board Member Shannon seconded the motion. (7-0.)

6.3 Second Amendment to the Off-Site Improvement & Disbursement Agreement North San Pedro

Documents Filed: Joint memorandum from Successor Agency Managing Director Richard A. Keit and Director of Finance Julia H. Cooper, dated November 13, 2015, recommending adoption of a resolution.

Action: Upon motion by Board Member Cauble, seconded by Board Member Guthrie and carried unanimously, Resolution No. 2015-11-1100, entitled "A Resolution of the Oversight Board of the Successor Agency to the Redevelopment Agency of the City of San José Approving the First Amendment to Assignment Agreement Between the County of Santa Clara and the Successor Agency to the Redevelopment Agency of the City of San José to Assign a Portion of the Successor Agency's Remaining Interest in the Net Sales Proceeds from the Sale of Real Property for the North San Pedro Project to the County in Exchange for the Release of the Lien of the County Deed of Trust Against Certain Successor Agency Owned Properties", was adopted. (7-0.)

7. Reports and Correspondence

7.1 Letter from Department of Finance regarding use of “Other Funds”

Documents Filed: Letter from Justyn Howard, Assistant Program Budget Manager, from the State Department of Finance dated November 6, 2015, regarding approval of Oversight Board action.

Action: No action required.

7.2 Solicitation of the 88 Garage

Documents Filed: Information memorandum from Successor Agency Managing Director Richard A. Keit, dated November 17, 2015, regarding staff's intention to commence the solicitation process.

Discussion followed regarding methodology of appraisal. Board Member Guthrie indicated that he had been part of a sub-committee to oversee the appraisal process when establishing a fair market value for the acquisition of the Garage by the City in March of this year. He recommended a 12-month solicitation period since it is a specialty property. Successor Agency Managing Director Richard A. Keit indicated that the County has recommended 120 days, and it should be considered that this project loses \$7,000 per month.

Successor Agency General Counsel Richard Doyle recommended that this item should be agendized for a future meeting of the Board since this is being heard only as an information item.

Board Member Andrade further recommended consideration of making partial payment to the HOA over the next 60 days.

Action: This item to be agendized at the next meeting of the Oversight Board.

8. Future Agenda Items

Future Agenda Items to include sale of the Plaza Hotel, solicitation of the 88 Garage and revision to the property disposition process. Chair Estremera voiced a preference for a 9:00 a.m. start time for the meeting of December 10, 2015.

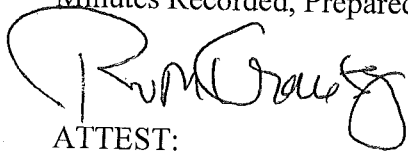
9. Open Forum

None.

10. Adjournment

The Oversight Board of the Successor Agency to the Redevelopment Agency adjourned at 9:15 a.m. to 9:00 a.m. Thursday, December 10, 2015.

Minutes Recorded, Prepared and Respectfully Submitted by,



ATTEST:

OVERSIGHT BOARD – SUCCESSOR AGENCY TO THE
SAN JOSE REDEVELOPMENT AGENCY
TONI J. TABER, CLERK OF THE BOARD

Ruth Krantz, Deputy Clerk of the Board

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